

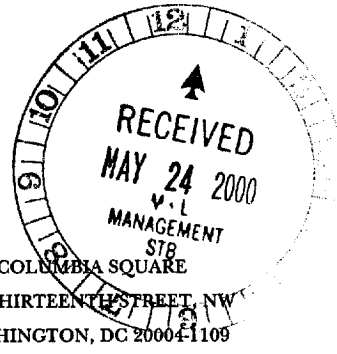
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HOGAN & HARTSON
L.L.P.

Only a Secretary

MAY 24 2000

Part of
Public Record

May 24, 2000



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BY HAND DELIVERY

The Honorable Vernon A. Williams
Secretary, Surface Transportation Board
Case Control Branch
1925 K Street, N.W.
Washington, DC 20423-0001

**Re: STB Ex Parte No. 582 (Sub-No. 1), Major Rail
Consolidation Procedures**

Dear Secretary Williams:

Please accept for filing as an errata in the above-referenced docket, an original and twenty-five copies of the attached Figure I, which was inadvertently left out of the May 16, 2000 filing of the Comments of the Committee to Improve American Coal Transportation. Figure I, page 151(a) of the filing, should be inserted as part of Appendix B of the Verified Statement of William B. Tye, Ph.D. Also enclosed is a 3.5- inch diskette, formatted for Powerpoint containing Figure I.

Thank you for your assistance.

Sincerely,

Eric Von Salzen
Attorney for Edison Mission Energy
Company and Midwest Generation,
LLC

MIT/mpr

Enclosures

cc: All Parties of Record To Be Served

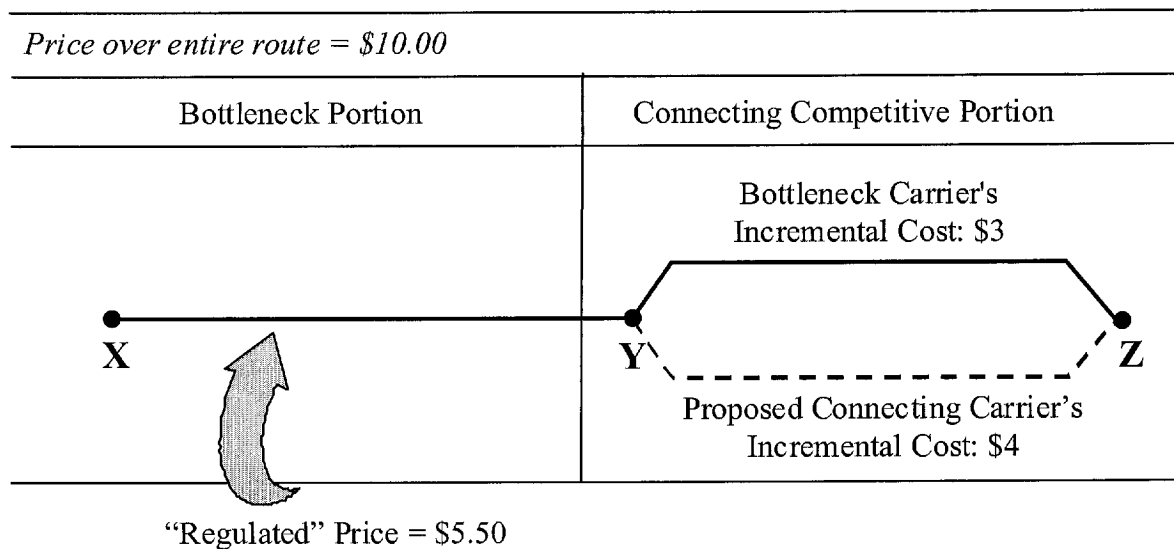
BRUSSELS BUDAPEST* LONDON MOSCOW PARIS* PRAGUE* WARSAW

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BALTIMORE, MD COLORADO SPRINGS, CO DENVER, CO LOS ANGELES, CA MCLEAN, VA NEW YORK, NY ROCKVILLE, MD

*Affiliated Office

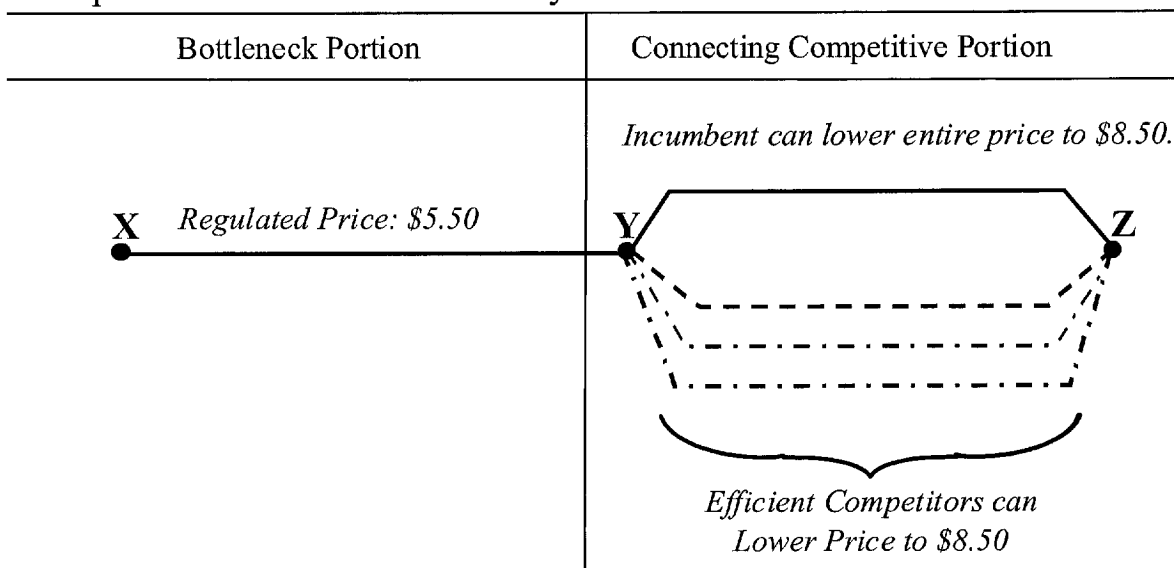
FIGURE 1

Competition Can Prevent Static Inefficiency at Any Arbitrary Access Price



Profits to inefficient connecting carrier: $\$10.00 - \$5.50 - \$4.00 = \0.50

Competition Eliminates Inefficiency

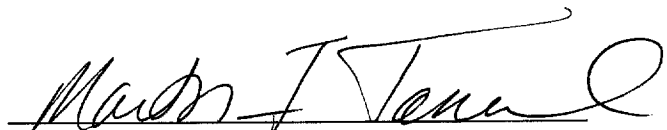


Inefficient connecting carrier cannot survive unless the incumbent insists on charging a monopoly price of \$10, despite the presence of competition.

Source: Tye and Lapuerta, *op. cit.*

CERTIFICATE OF SERVICE

I hereby certify that on May 24, 2000 I caused to be served, by first-class mail prepaid, a true and correct copy of the foregoing Figure I, errata to the Comments of the Committee To Improve American Coal Transportation, on all Parties of Record in STB Ex Parte No. 582 (Sub-No. 1).



Marta I. Tanenhaus

Dated: May 24, 2000